

# EXHIBIT 2

IN THE UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

IN RE: ) Docket No. 18 C 864  
)  
DEALER MANAGEMENT SYSTEMS )  
ANTITRUST LITIGATION. )  
) Chicago, Illinois  
) March 12, 2018  
) 1:30 o'clock p.m.

TRANSCRIPT OF PROCEEDINGS - STATUS  
BEFORE THE HONORABLE AMY J. ST. EVE

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PROCEEDINGS RECORDED BY  
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1 THE COURT: Yes.

2 MS. WEDGWORTH: So --

3 THE COURT: Can you send it by Friday?

4 MS. WEDGWORTH: -- a week from today, next Monday, we  
5 can get it by 5:00 o'clock to defense counsel.

6 THE COURT: Great. So, send over your draft with  
7 your proposals, joint by the plaintiffs, by March 19th at 5:00  
8 o'clock Central Time.

9 MS. WEDGWORTH: Done.

10 MS. MILLER: Thank you, your Honor.

11 MS. GULLEY: Thank you, your Honor.

12 THE COURT: And same with the ESI, please.

13 MS. WEDGWORTH: Yes.

14 THE COURT: Send that over, as well.

15 There is a question now in terms of discovery and  
16 going forward and the Authenticom case wanting -- some  
17 discovery has already been done -- and wanting to move faster  
18 in light of the circumstances. And I have your proposals --

19 MR. KAPLAN: May I speak to this?

20 MR. ISSACHAROFF: I represent Authenticom; you don't,  
21 Bob.

22 MR. KAPLAN: Oh.

23 MR. ISSACHAROFF: If I may?

24 MR. KAPLAN: Oh, sure. Please.

25 MR. ISSACHAROFF: Thank you.

1 MR. KAPLAN: Excuse me.

2 THE COURT: What I do not know from your joint status  
3 report is --

4 MR. KAPLAN: I'm trying to support you.

5 THE COURT: Just hold on.

6 What I do not know from your joint status report is  
7 what discovery has already been exchanged in Authenticom, how  
8 far along you are. If it is just -- it sounded like maybe it  
9 was just some written, not all written, and no ESI and nothing  
10 oral yet.

11 MS. GULLEY: That's right, your Honor.

12 MR. ISSACHAROFF: That is --

13 MS. MILLER: Your Honor, what we've exchanged is --  
14 since we're the ones that have produced the most, I can say we  
15 have exchanged -- each exchanged -- one set of document  
16 discovery. There have been some supplemental requests to  
17 that. I think there have been a handful of interrogatories  
18 that have been served by one party.

19 But as Ms. Gulley noted before, all of the document  
20 productions that have been done thus far are reproductions of  
21 existing government productions, all but a handful. So,  
22 there's been no depositions, no expert discovery, anything of  
23 that sort.

24 THE COURT: Have --

25 MR. ISSACHAROFF: Your Honor, I don't think --

1 THE COURT: -- interrogatories been --

2 MR. ISSACHAROFF: -- from my perspective --

3 THE COURT: Have interrogatories been issued?

4 MS. MILLER: One set of interrogatories was issued by  
5 us --

6 THE COURT: Did plaintiffs issue any?

7 MS. MILLER: -- to plaintiff.

8 THE COURT: Did plaintiffs issue any to you?

9 MS. MILLER: No.

10 THE COURT: Okay.

11 Yes, go ahead.

12 MR. ISSACHAROFF: We disagree on the percentage of  
13 the documents that are overlap, but that's not really  
14 important right now.

15 The -- what we have is requests for production of  
16 documents. There's several hundred thousand -- 300,000 and  
17 change -- and over a million. That's been gone through. We  
18 were at the point of noticing depositions, and we were ready  
19 to go forward with that when we got the stay order in the MDL  
20 order.

21 So, we are at the point, speaking for Authenticom,  
22 that we are prepared to immediately commence discovery, and we  
23 think we should be able to immediately commence discovery, and  
24 with the anticipation that we could hold to as close to our  
25 trial date -- original trial date -- as possible.



1           THE COURT: Do you not expect to issue  
2 interrogatories?

3           MR. ISSACHAROFF: We will issue interrogatories.

4           But, your Honor, we are in a position where we are  
5 more eager to go to trial than we are to engage in extensive  
6 discovery. We could be ready for trial with surprisingly  
7 little additional discovery over what we have now. We have --

8           THE COURT: Defendants may disagree with that, but --

9           MR. ISSACHAROFF: They might disagree with that, but  
10 not on the liability phase. I don't think that anything that  
11 we have done goes to the question of whether they conspired,  
12 whether they tried to shut us out of the market. I don't  
13 think that there's any claim here that we are a joint tort  
14 feisor of some kind in this process.

15           So, with regard to liability, we are prepared to move  
16 very quickly, even if that costs us some of the normal range  
17 of discovery that we would have.

18           As the Seventh Circuit noted, we're representing a  
19 client in Authenticom that is at grave risk of going out of  
20 business through the normal processes of delay when a business  
21 is failing.

22           THE COURT: I am certainly sympathetic to that, but I  
23 also know that the Seventh Circuit noted, without addressing  
24 any of the merits, that there may be viable defenses here.

25           So --

1 MS. GULLEY: Right, your Honor.

2 THE COURT: -- I appreciate both sides, and we will  
3 try to accommodate that. But before putting any deadlines in  
4 place, I am trying to get a sense of what has been done --

5 MR. ISSACHAROFF: That's all that's been done.

6 THE COURT: -- and what remains to be done.

7 MS. MILLER: And --

8 THE COURT: Have you produced any documents on behalf  
9 of plaintiffs?

10 MR. HO: Yes, we have, your Honor. We've produced  
11 documents to the plaintiffs. Obviously, our document  
12 discovery is not going to be nearly as voluminous as the  
13 defendants'. But, yes, we've produced documents.

14 We have received more than three -- about 350,000  
15 documents. I'm a little bit surprised to hear that those  
16 consist almost solely of reproductions of the productions to  
17 the government because that's quite the opposite of what the  
18 defendants have been representing to us as they've been sort  
19 of resisting additional discovery.

20 But the bottom line is that there has been extensive  
21 document production going both ways; we've reviewed a lot of  
22 those documents; and, we feel like we've identified the ones  
23 that are critical to the case, which is why we had 12  
24 depositions scheduled on January 12th, when Judge Peterson put  
25 the stay in place. So, we were on the cusp of going from the

1 let's talk about lead counsel and lead counsel structure.

2 MR. ISSACHAROFF: If I may, your Honor?

3 THE COURT: Yes.

4 MR. ISSACHAROFF: We have a proposal on this, and I  
5 think that there may be some confusion in the documents  
6 between lead counsel for purposes of the MDL and the  
7 subsequent appointment of interim lead or co-lead class  
8 counsel pursuant to 23(g).

9 We have proposed that the class part of this be  
10 pushed back a week, and that everybody be able to file papers  
11 and make their requests to be appointed pursuant to 23(g). We  
12 have our proposal of how that should be; others have theirs.

13 But for the moment, I think the most important thing  
14 is to start the MDL process rolling. And for that, we think  
15 that there should be the appointment of lead counsel and  
16 liaison counsel.

17 Lead counsel, at this point it's impossible to see  
18 how it can be other than Mr. Ho on behalf -- who has  
19 represented the critical cases that have gone forward thus  
20 far, MVSC and the Authenticom cases. Those are the cases that  
21 precipitated all this litigation. Nobody would be in this  
22 courtroom without those cases and, particularly, without the  
23 injunction in Authenticom.

24 That's where the documents have gone. I've seen some  
25 of these documents because I'm co-counsel with them. It moves

1 the ball tremendously in these cases. My view, it  
2 substantiates much of what we've alleged; but, obviously,  
3 there will be disagreement on that. But the critical part of  
4 it is that it is already a repository of over a million pages  
5 of documents, that we believe are the heart and soul of what  
6 we are alleging here and form the foundation for everybody  
7 else.

8           So, our proposal is that Mr. Ho be lead counsel for  
9 the MDL; that he be able, as is normally the case with MDL  
10 lead counsel, to assign responsibility for sub-working groups.  
11 If there need to be groups doing particularly discovery on  
12 class issues, if there need to be questions about dealership  
13 structures and dealership agreements, all those can be set up  
14 as subsets from the authority of the leadership of the MDL.

15           And we also propose that Jennifer Gregor be appointed  
16 liaison counsel. Ms. Gregor was the person who was  
17 responsible for the coordination with Judge Peterson's court  
18 as Authenticom was getting ready to go to trial. She  
19 participated heavily in the preliminary injunction hearing,  
20 put on several of the key witnesses, including Brian Maas,  
21 whose declaration you admitted into evidence today, from the  
22 California Dealer Association.

23           We believe that that's a team that has already  
24 performed this function in what has been the only part of this  
25 litigation that has taken shape thus far. It is the engine

1 that drives this entire train. Nobody is here but for the  
2 efforts of these counsel.

3 And, then, we would suggest that this Court have a  
4 hearing at some point, when reasonably feasible, on the  
5 question of the class components. We have views that the  
6 suggestion of the 12 group -- the group of 12 -- if I can call  
7 -- group of 12 versus the group of four for just -- for ease  
8 of reference -- that there be a two-year delay process in this  
9 is just too long. It's too long not just for Authenticom --  
10 which obviously needs, as the Seventh Circuit recognized, to  
11 go to trial more quickly -- but it's too long even for the  
12 dealers, as Mr. Maas -- Mrs. Maas's declaration goes forward.

13 So, we have views -- strong views -- on who should be  
14 the interim co-leads on the class counsel, but we recommend to  
15 the Court that that be handled as a separate -- as a second  
16 proceeding, so that we can get the MDL leadership assigned and  
17 get this case moving forward as expeditiously as possible.

18 THE COURT: I did not understand Ms. Wedgworth and  
19 Mr. Barz to be saying -- correct me if I am wrong -- that they  
20 were here to seek lead class counsel only.

21 MR. BARZ: Correct.

22 THE COURT: I understood you to be --

23 MS. WEDGWORTH: That is correct.

24 THE COURT: -- saying that you are -- you want to  
25 seek as lead counsel in the MDL.